

# Agenda

## UAC INSURANCE MUTUAL BOARD OF DIRECTORS MEETING

*June 15, 1995, 11:00 a.m.*

Utah Association of Counties Offices

- |                 |                                                                                                                                                                |                                      |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <b>11:00 AM</b> | <b>Call To Order &amp; Welcome</b>                                                                                                                             | Gary Herbert                         |
| <b>2</b>        | <b>Review of Board Member's Absent</b>                                                                                                                         | Gary Herbert                         |
| <b>3</b>        | <b>Approval of May 18, 1995, Minutes</b>                                                                                                                       | Gary Herbert                         |
| <b>4</b>        | <b>PRIMA Annual Convention</b>                                                                                                                                 | Gerald Hess & Dennis Ewing           |
| <b>5</b>        | <b>Financial Statement &amp; Loss Summary Review</b>                                                                                                           | Board Review                         |
| <b>12:00 PM</b> | <b>Lunch Break</b>                                                                                                                                             |                                      |
| <b>6</b>        | <b>UACIM Assistant Administrator</b>                                                                                                                           | Gary Herbert                         |
| <b>7</b>        | <b>Board Policy on Surplus Held in Escrow/Claim Payment Priority</b>                                                                                           | Kent Sundberg                        |
| <b>8</b>        | <b>Litigation Committee &amp; Claims Report</b><br>1. UACIM Compliance with Requirements of Public Bid Process<br>2. UACIM County Repayment Obligation Release | Kent Sundberg<br>&<br>Doug Alexander |
| <b>9</b>        | <b>Loss Prevention Report</b>                                                                                                                                  | David Nelson                         |
| <b>10</b>       | <b>Brokerage Report</b>                                                                                                                                        | Jess Hurtado                         |
| <b>11</b>       | <b>Other Business</b>                                                                                                                                          | Gary Herbert                         |
| <b>3:00 PM</b>  | <b>Adjourn</b>                                                                                                                                                 |                                      |

NOTES:



**UAC INSURANCE MUTUAL  
MINUTES, BOARD OF DIRECTORS MEETING**

**June 15, 1995, 11:00 a.m.  
UAC Offices, Salt Lake City**

**Board Members Present:** Gary Herbert, *President*, Utah County Commissioner  
Gerald Hess, *Vice President*, Davis County Deputy Attorney  
Robert Gardner, *Secretary*, Iron County Commissioner  
Dennis Ewing, *Comptroller*, Tooele County Clerk  
Ken Brown, Rich County Commissioner  
Sid Groll, Cache County Sheriff  
Sarah Ann Skanchy, Cache County Council Member  
Gary Sullivan, Beaver County Commissioner

**Board Members Absent:** Ty Lewis, San Juan County Commissioner

**Others Present:** Kent Sundberg, Utah County Deputy Attorney  
Sonya White, UACIM Administrative Assistant  
David Nelson, UACIM Loss Prevention Manager  
Jess Hurtado, UACIM Broker  
Keri Chappell, UACIM Broker  
Doug Alexander, UACIM Claims Administrator

**CALL TO ORDER**

Chairman Gary Herbert requested that Gerald chair this meeting until his arrival. Gerald called the meeting to order.

**REVIEW OF BOARD MEMBERS ABSENT**

Ty Lewis offered no excuse to the Board for his absence today. Sarah Ann made a motion requesting Ty to give an explanation for his absence. Gary Sullivan seconded the motion and the motion carried.

**REVIEW AND APPROVAL OF MAY 1995 MINUTES**

The minutes, from the May 18, 1995, meeting, were previously reviewed. Sarah Ann noted a correction on page three under Board Policy on County Employees with Bad Driving Records, line three should read: *A copy of the letter Chubb Insurance utilizes was reviewed...* Sarah Ann made a motion to approve the minutes with this correction. Dennis seconded the motion and the motion carried.

**PRIMA ANNUAL CONVENTION**

Dennis Ewing and Gerald Hess attended the PRIMA Annual Convention, June 5-8, 1995, in Seattle.

Dennis reported that the main focus of the Convention was "Risk Management" and that the Board may want to consider sending David Nelson next year. Dennis felt the Convention was very beneficial and reported the following information to the Board:



- Loss trends continue to rise in the area of Law Enforcement. The recommendation was that the Loss Prevention Manager should meet with the county law enforcement department on a regular basis and keep a line of communication open.
- Examples of pools setting the premiums by county department so that every department must budget for the premium thus making the department aware and more conscious of loss control. This concept of setting the premium by department payroll is something the Board may want to look at for 1996.
- The Board and/or David should make sure that if a county has a training program, that the trainer is well trained. Also, that David has all the proper tools to train.
- Reward counties that are doing a good job with loss control. Let them know that the Board Members are aware of their efforts and are not just focusing on the problems.
- Plan meetings with the counties at a location away from the office to avoid interruptions.
- In Law Enforcement when asked for mutual aid, do not accept responsibility in aiding, transfer the risk.
- Pools should try to fight frivolous claims, if not, the door is open for future problems. In turn, settle claims quickly if the county is absolutely at-fault.
- Make sure policies are in place and contain substance.
- The county accident review board should review all use-of-force or pursuit cases to catch any potential trends.
- Claims administrators and counties should make arrangements with primary care facilities instead of using emergency room services in case of personal injury to save on costs.
- Be aware that the county is liable for private vehicles that are left overnight or for days in county parking lots if an employee is on county business.
- Importance was stressed regarding Law Enforcement personnel wearing bullet proof vests.

In conclusion, Dennis brought back information (handouts) for David's perusal.

Gerald reported that he visited with many vendors and looked at different risk management tools, programs, etc. This Convention alerted Gerald to the future of the UACIM and to what are the Board's goals. Gerald addressed the following information he obtained from the various sessions he attended.

- The Board must be more involved in evaluating the Third-Party Administrators (TPA's) and their contracts as well as the administrative expenses. It was indicated that the expenses normally should be 10-12%. A list of subjects the Board should look for in these types of contracts was discussed in which Gerald is planning to write to the presenter for a copy.
- A session regarding reading & understanding financial statements was given, wherein the Board should be aware of a 20% or more decline in equity which may be the result of not enough premium being charged.
- Presentations on tort liability exposure and sample procedures to draft policies to protect counties.
- In emergency response situations, cross train within departments so that each department knows the various roles and how they relate to each other.
- All county vehicles should have a fire extinguisher. David added that this is one of the recommendations he gives to the member counties in his risk review.
- David may want to arrange training in the area of violence in the workplace which is becoming a significant problem, not with just the disgruntled employee but spouses of employees.
- One session stressed the importance of taking advantage of technology and learning to adapt to sociological change.

Gerald concluded by explaining he felt the UACIM appears to be lacking in the area of understanding and participation in what is important to manage the Mutual. The Board must continually be involved in the day-to-day operation of the UACIM not just during Board meetings. He found that other pools across the nation are struggling with the same types of issues as the UACIM and that most pools run on their own without ties to the state association. There was excellent networking with other pool members.

Gary Herbert arrived and conducted the remainder of the meeting. Dennis Ewing was excused at this time for a doctor appointment. The Board reviewed Brent's letter to the Board (see attachment #1). The last item, regarding members of the State-wide Association of Prosecutors (SWAP) wanting to meet with the UACIM Board of Directors to discuss criminal legal defense costs was discussed by the Board. The Board agreed to give the members' time on the July agenda.

#### **LOSS SUMMARY AND FINANCIAL STATEMENT REVIEW**

The Board received copies of the April 1995 Financial Statements & Loss Summary. With Brent's absence, each Board member reviewed the financial statements. Any questions or concerns will be addressed by Brent at the next meeting.



### UACIM ASSISTANT ADMINISTRATOR

Ken made a motion for the Board to go into executive session. Gary Sullivan seconded the motion and the motion carried.

Sid made a motion for the Board to come out of executive session. Sarah Ann seconded the motion and the motion carried.

### LITIGATION COMMITTEE & CLAIMS REPORT

1. Claims Report. Ken made a motion for the Board to go into executive session. Gary Sullivan seconded the motion and the motion carried.

Sid made a motion for the Board to come out of executive session. Sarah Ann seconded the motion and the motion carried.

2. Compliance with Requirements of Public Bid Process. Kent was asked to review the statute and requirements of counties annual bid process and to review the UACIM procedure to comply with the statute. In his conversation with Jess and Keri, AIMS submits the renewal information provided by the counties each year to approximately seven excess carriers for bid. Once the bids are received, Jess and Keri negotiate the renewal. In Kent's opinion, this procedure complies with the statute. Kent reaffirmed his opinion in his April 12, 1995, memorandum to the Board.
3. UACIM County Repayment Obligation Release. Kent reported that the Litigation Management Committee was unable to meet this month, therefore, he will draft the release language for approval by the Board at the next meeting.
4. UACIM Policy Exclusions. At the May 18 meeting, the Board requested David to prepare a list of the policy exclusions to send to all member counties. David suggested that Keri or Jess would be more knowledgeable in preparing this list. The Board agreed and requested that Keri prepare a detailed listing of the exclusions to send to all member counties.

### BOARD POLICY ON SURPLUS HELD IN ESCROW/CLAIM PAYMENT PRIORITY

Kent reported that the Litigation Management Committee was unable to meet this month, therefore, he will draft the policy language for approval by the Board at the next meeting.

### LOSS PREVENTION REPORT

David reviewed his written report with the Board (see attachment #2). A risk review was completed in Sevier County where David found and brought to the attention of the county an underground tank with an emergency generator next to it. This was a major violation of the fire code with the potential for a large explosion.

With no written response from Sanpete County relating to their risk review, David met personally with Kristine Anderson, Sanpete County Clerk, and Ryan Anderson, Sanpete County Auditor. David found that most of the recommendations were complete and a written response would be sent within two weeks. With no written response from Tooele County relating to their risk review, David called Commissioner Lois McCarther, who promised that the recommendations will be dealt with and a written response will be forth coming.

The Personnel Committee met on June 8. David reported to the Board that Paul Barton, Beaver County Clerk-Auditor, and Fran Townsend, Grand County Clerk-Auditor, are members of this Committee but have not attended any of the meetings. David requested the Boards input as to replacing these two individuals on this Committee. Gary Sullivan instructed David to replace Paul Barton. Keri suggested David contact Earl Sires, Grand County Administrator to take Fran's place on the Committee.

As of January 1, 1996, all counties must impose a drug testing policy on all their commercial drivers. UACIM has purchased training material for drug testing and David will be conducting training for all member counties.

David reported the following information regarding the training he received at the Southwest Safety Congress & Exposition:





- Money spent for loss prevention and safety will benefit the UACIM membership in the long run, keeping insurance costs low.
- Accident investigation. David is becoming more involved with the claims investigation when notified with a Risk Character Report from AIMS. He is going out to the counties to make loss prevention recommendations.
- Educating management on safety programs was stressed. David meets with the county commissioners and department heads during each county risk review for a training meeting.
- Training on Drug/Alcohol Effects in the Workplace. David is preparing to do such training this year.

David continues to work with each county to set-up their Accident Review Boards (ARB). The Board requested that David follow-up on the mailing sent in April 1994, with either a visit to the counties or a phone call to obtain information on each county ARB and its activities.

#### **BROKERAGE REPORT**

Jess reviewed with the Board, the draft letter addressed to Box Elder County regarding the Pioneer Care Center and the Box Elder County Nursing Home. With requested signatures from Commissioner Lee Allen, County Attorney Jon Bunderson, and the County Insurance Coordinator, John Rausch, this letter agrees, in writing, that Box Elder County will not submit any claims occurring after January 1, 1995, involving the Care Center and the Nursing Home. The Board approved this draft to be taken to the meeting that is in the process of being scheduled, with the Box Elder County Commission, Brent and members of the Board of Directors.

Millard County Commissioner Tony Deardon informed Keri that the Millard County Fire District accepted coverage with ULGT. Ken reaffirmed his feelings that the Board may have been too strict concerning the adopted policy on Special Service Districts. Gerald noted that the Special Service Districts were not covered under ULGT when the counties were insured by them. If the UACIM is to cover these districts they will need to meet the criteria set forth under the policy statement so that the county has more control over loss prevention, premiums, etc.

#### **OTHER BUSINESS**

Gary read to the Board a letter addressed to Keri from Earl Sires, Grand County Administrator, dated June 5, 1995, regarding the Moab Fire District. Pursuant to Brent's letter dated March 29, 1995, confirming that the Grand County Special Districts named therein were bound with coverage under the UACIM until June 1, 1995, the Moab Fire District hesitated in finding coverage elsewhere and requested coverage to continue until July 1, 1995. The Board agreed that the Moab Fire District was given sufficient time to purchase coverage elsewhere. Bob made a motion that UACIM not extend coverage for an additional 30 days. Gerald seconded the motion and the motion carried. The Board directed Keri to write and FAX a letter to Earl Sires today, notifying him of the Board's decision.

Gary Sullivan requested Keri to give Beaver County a bid for \$2,000,000 additional excess coverage.

The county renewal questionnaires were due today and only eight counties have completed and returned the questionnaire.

The next Board of Directors meeting is scheduled for July 20, 1995, at 10:00 a.m. at the UAC Offices. Also, the August Board of Directors meeting scheduled for August 17, 1995, was re-scheduled for August 18, 1995.



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Ken Brown, Rich County Commissioner  
Sid Groll, Cache County Sheriff  
Sarah Ann Skanchy, Cache County Council Member  
Gary Sullivan, Beaver County Commissioner

**Board Members Absent:** Ty Lewis, San Juan County Commissioner

**Others Present:** Kent Sundberg, Utah County Deputy Attorney  
Sonya White, UACIM Administrative Assistant  
Jess Hurtado, UACIM Broker

Executive session was held to discuss the Assistant Administrator position.



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Jess Hurtado, UACIM Broker  
Doug Alexander, UACIM Claims Administrator

Executive session was held to discuss the Claims Report.



## MEMORANDUM

**DATE:** June 13, 1995  
**TO:** UACIM Board of Directors  
**FROM:** Brent Gardner, Administrator

Please accept my apologies for being unable to attend the June 15, 1995, Board of Directors meeting. Following is a list of the assignments given to me, by the Board, and my efforts to carry out these assignments.

- (A) Set up meeting with Box Elder County to discuss claims 801BOX937026 and 801BOX937027 and also to discuss their Nursing Home Agreements.
- (E) I have spoken to John Rausch to schedule a meeting with the Commission. John has not gotten back to me with some tentative dates.
- (A) Draft criteria for member county drivers.
- (E) I am in the process of completing the criteria and will mail these to the Board for review.
- (A) Mail reply and set up meeting with Uintah County regarding their concerns.
- (E) I have spoken with Commissioner Glen McKee and have set a meeting for July 6, in Uintah County.

As for the Loss Summary and Financial Statement Review, the Board will receive copies of these reports and upon your review, if you have any questions or concerns, please call me or bring before the Board at the next meeting.

I was approached by Wallace Lee, Garfield County Attorney, Gavin Anderson, Salt Lake County Deputy Attorney and Mark DeCaria, Weber County Attorney (members of the State-wide Association of Prosecutors, SWAP) who would like to meet with the UACIM Board of Directors at their next meeting for approximately one half hour to discuss criminal legal defense costs.

